

# Procurement Tools For Child Nutrition Programs



Coming together is a beginning;  
Keeping together is progress;  
Working together is success!  
-Henry Ford

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# Methods of Procurement

- Small Purchase Procedure
- Sealed Bids (ITB)
- Competitive Proposals (RFP)
- Non-Competitive Proposals
- Sole Source

# What is a Small Purchase Procedure?

- Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the simplified acquisition threshold fixed currently at \$100,000.00.
- If small purchase procedures are used, price or rate quotations shall be obtained from an adequate number of qualified sources.



# **What is an ITB?**

## **Invitation To Bid**

A tool used to purchase under the competitive sealed bid method of purchasing when desired goods or services can be couched in precise, concrete terms and when cost is the only factor to be considered.



# Using “Best Value Pricing” to Determine Award

“Best Value Pricing” to be determined using the following percentages and example

55% = **Bid Price** - of an acceptable product meeting all the product specifications

45% = **Product Taste Panel** - of an acceptable product with a minimum score of 70

100% **Total Score**

# Example of “Best Value Pricing” Computations

For Bidders A, B, C, D, E

<u>Bid Price</u>	<u>Product Taste Panel Results</u>
A = \$1.06 ea.	A = 5/4
B = \$1.10 ea.	B = 6/3
C = \$1.08 ea.	C = 7/2
D = \$1.15 ea.	D = 6/3
E = \$ 1.20 ea.	E = 8/1

# Example of “Best Value Pricing” Computations

For Bidders A, B, C, D, E

## Bid Price

$$A = \frac{1.06}{1.06} \times 100 = 100.00$$

$$B = \frac{1.06}{1.10} \times 100 = 96.36$$

$$C = \frac{1.06}{1.08} \times 100 = 98.15$$

$$D = \frac{1.06}{1.15} \times 100 = 92.17$$

$$E = \frac{1.06}{120} \times 100 = 88.33$$

## Product Taste Pane Results

$$A = \frac{5}{9} \times 100 = 55.56 \text{ (No award - did not meet the 70\% minimum score)}$$

$$B = \frac{6}{9} \times 100 = 66.67 \text{ (No award - did not meet the 70\% minimum score)}$$

$$C = \frac{7}{9} \times 100 = 77.78$$

$$D = \frac{6}{9} \times 100 = 66.67 \text{ (No award - did not meet the 70\% minimum score)}$$

$$E = \frac{8}{9} \times 100 = 88.89$$

# “Best Value Pricing” Award

$$C = (98.15 \times 55\%) + (77.78 \times 45\%) = 88.98 \text{ Points } **$$

$$E = (88.33 \times 55\%) + (88.89 \times 45\%) = 88.58 \text{ Points}$$

**\*\*** Award would be made to Bidder C with the “Best Value Pricing” tabulation of 88.98, provide Bidder C meets all the other requirements of the bid.

## Note:

In the event of a tie in total value points, the award would go to the Bidder with the highest “Product Test Panel” score.



# **What is a Non-Competitive Negotiation?**

- Occurs after the solicitation (sealed bid, competitive negotiation or small purchase) has been issued, but competition on that solicitation has been deemed inadequate.
- Should only be used when: 1) there is inadequate competition in a formal solicitation, 2) a public emergency exists, 3) the awarding agency provides prior approval.

# What is a Sole Source?

- A Sole Source Situation occurs when the goods or services are available only from one manufacture through only one Supplier!
- In a true Sole Source situation, conducting a traditional solicitation is meaningless, because the element of competition does not exist.
- SFA must first obtain State Agency approval, then go to the one source of supply to negotiate terms, conditions and prices.



# What is an RFP?

A tool used to purchase goods or services under the competitive negotiation method of purchasing when factors other than cost must be considered.



# When should I use an RFP?

“A Request for Proposal (RFP) should be used when the procurement of goods or services requires an assessment of each offeror’s capability to perform which is not susceptible to being stated in precise, concrete terms.”

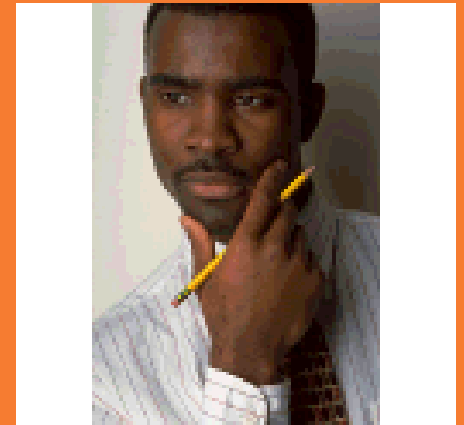
-GA. Dept. of Admn. Scvs.  
*Guide for Developing a  
Request for Proposals*



# What is Unique about an RFP?

“An RFP permits an agency to assess each offeror’s strengths and weaknesses in areas such as prior experience with similar projects, staff expertise, the feasibility of the approach or plans proposed in response to RFP requirements and technical capabilities.”

-GA. Dept. of Admn. Scvs.  
*Guide for Developing a  
Request for Proposals*



# What is Unique about an RFP?

In the evaluation and selection process, the technical aspects and the cost proposed by each offeror are each separately evaluated. The results are then combined to determine the successful offeror.”



-GA. Dept. of Admn. Scvs.  
*Guide for Developing a  
Request for Proposals*



**So, is There a Need  
for an RFP?**



# Developing The RFP Document

The RFP normally consist of the sections described below:

- RFP Cover
- Terms and Conditions
- Execution of Offer
- Administrative Information Sheet
- Special HUB Forms
- General Information
- Scope of Proposal
- Introduction



# Developing The RFP Document

- Statement of Work
- Vendor Qualifications
- Contract Term / Options
- Proposal Content
- Evaluation Criteria For Award
- Contractual Requirements
- Exhibits /Attachments

# **Advance Planning For Evaluation Process**

## **Establish Evaluation Team**

- Invite knowledgeable personnel to participate.
- Have minimum of 3 and maximum of 5 people on team.
- Have primary point of contact for project.
- Develop scoring matrix to evaluate proposals and determine most responsive proposer using best value criteria.

# Distribute The RFP

- Use Pre-Proposal Announcement to Reduce Cost
- Create Mailing List
- Mail, Post on Web, Distribute

# Contact with Proposer

- The purchaser answers all questions pertaining to purchasing issues and procedures.
- Department is provided a copy of any written responses.
- Questions and answers of general interest should be furnished to all offerors on RFP mailing list.

# **Pre-Proposal Conference**

**It is highly recommended that the purchaser schedule a pre-proposal conference.**

The conference provides an opportunity to:

- Review the requirements
- Make sure proposers have a clear understanding
- Promote competition
- Modifications to the RFP may result

# **Addenda To RFP**

**Addendum is usually not issued until after the pre-proposal conference. All changes must be in writing and mailed to all proposers.**

**If there is a short period of time remaining until the opening date:**

- No addendum issued, change @ BFO.**
- Issue addendum, extend RFP opening.**
- Return proposals unopened and set a new due date.**

# Proposal Receipt & Opening

At the proposal opening, district staff will read ONLY the names of companies who have submitted a response to the RFP. No further information is revealed at this time. The proposer's offer must remain confidential until date of contract.

# Distribution & Evaluation of Proposals

After opening, the purchaser verifies the proposals for the following:

- Execution of Offer
- HUB Forms
- Any Other Mandatory Documents



# Evaluation Team Meeting

## Procedures for evaluating the RFP

- Each member is a voting member.
- Conclusions must be reached independently.
- Each proposal should be evaluated individually. against the requirements.
- There should be no contact by proposer.
- Questions should be in writing to purchaser.

# 1<sup>st</sup> RFP Evaluation Action

Team Leader is Responsible for:

- Tabulating Scores
- Calculating Values
- Recommending an Award
- Coordinating Follow-up Meetings for Best & Final Offer
- Discontinuing Process

Team members should know all scores may be classified as a matter of public record

# Discussion Sessions

Discussion sessions are designed to:

- Provide clarification and understanding of the written proposal;
- Identify requirements contained in the RFP that should be changed to allow a viable Best & Final Offer;
- Eliminate requirements that could result in excessive cost.

# Discussion Sessions

If changes are made during these discussions they must:

- Be formalized in the content of the Best & Final Offer request sent to all proposers.
- Be careful not to significantly alter the original specifications that were sent to all proposers.

# References

The Evaluation Team may contact a number of references for any proposer. This task is usually appointed to one of the Evaluation Team Members.

- Develop a list of questions to be used for each reference.
- Record a brief summary for each reference contacted.
- Report findings to the Team .

# **Best & Final Offer (BAFO)**

Following discussions, a time and place are set for receipt of Best and Final Offers. The BAFO must allow the proposer to:

- Modify the initial offer.
- Update pricing based on any change the district has made.
- Include any inducements that will improve the overall score in accordance with the evaluation plan of the RFP.

# **Best & Final Offer (BAFO)**

- BAFO may be in form of a letter and attachments.
- Must address all pertinent changes and proposal instructions.
- BAFO is not read in public.
- Changes are not allowed after receipt of BAFO.

# Selection

- Scoring matrix is modified to indicate “Best and Final Offer.”
- Proposer who receives best aggregate score by the Evaluation Team is recommended for award.



# Purchase Order File

The Purchaser prepares a file to include:

- All Responses
- All Best & Final Offers
- Memoranda of Discussions
- Related Correspondence
- Evaluation Scoring
- Documentation of Award

This file is a matter of public record and is open for review by the public and proposers upon award.

**For more information about the use of RFP's, review your own district's policies, contact your State office for Child Nutrition, School Nutrition Association, NSFSMI or USDA.**



**Questions**